GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4087
ANSWERED ON:09.08.2002
SPONSORS FOR UTI
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a) whether in pursuit of finding new sponsors for UTI,the Government propose to compensate the losses under various schemes incurred by the sponsors:

(b) if so, the details thereof ;

(c)other incentives being planned for the sponsors under the proposed restructuring plan for the UTI;

(d) whether the newly formed Assets Reconstruction Corporation is likely to ease the problems of UTI`s liability: and

(e) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a), (b) & (c): A Group of Minister consisting of Ministerof Finance and Company Affairs, Minister of Disinvestment and Deputy Chairman, Planning Commission has been set upto look into the financial restructuring of IFCI, IDBIand UTI.Appropriate action have been initiated in this regard.

(d)&(e) UTI has intimated that it has decided to set upthe Asset Reconstruction Fund to acquire the Non-Performing Assets of the open-ended schemes of UTI in order to attemptthe recovery of the amounts owed to various schemes of the Trust, in a more focused manner. The amount recovered would, after deduction of expenses incurred by the ARF for realization, be transferred to the Schemes from which the assets were originally transferred to the ARF.